



COLLINS FOODS LIMITED

ACN 151 420 781 | ABN 13 151 420 781

PO Box 286 Lutwyche QLD 4030  
Level 3, KSD1, 485 Kingsford Smith Drive  
Hamilton QLD 4007 Australia  
T +61 7 3352 0800 | F +61 7 3352 0894

## ASX RELEASE

### COLLINS FOODS LIMITED STRATEGICALLY EXPANDS INTO GERMANY

**Monday, 31 October 2016:** Collins Foods Limited (ASX: CKF) is pleased to announce that its wholly owned subsidiary, Collins Foods Germany Ltd has entered into a binding agreement to acquire 11 KFC restaurants located in Stuttgart and Dusseldorf, Germany. These restaurants are being purchased directly from the franchisor, Kentucky Fried Chicken (Great Britain) Ltd, German Branch (**KFC Germany**).

Collins Foods Managing Director & CEO Graham Maxwell said: "We are excited about the purchase of these 11 restaurants and the opportunity to be part of the dynamic growth plans for KFC in Germany. Having successfully run, acquired, integrated and grown KFC restaurants in Australia, this acquisition provides a unique new market entry opportunity for Collins Foods that will be immediately EPS accretive and add an additional growth channel to our business."

#### Leveraging Collins Foods' core KFC operational expertise to grow globally

The acquisition is underpinned by compelling strategic rationale:

- provides a strategic entry into the KFC Germany market – a market with substantial growth opportunities given the current low market penetration of KFC in that market;
- provides a growth platform for Collins Foods' KFC operations outside of Australia;
- leverages the core strength of Collins Foods in operating and growing KFC restaurants; and
- is immediately Earnings Per Share (EPS) accretive.

#### A compelling acquisition that further enhances Collins Foods' growth profile and increases shareholder value

Commenting on the acquisition, Mr Maxwell said: "This acquisition creates an attractive new growth platform for Collins Foods that adds value for shareholders and is in line with our strategy of pursuing growth opportunities. This acquisition, without factoring any margin improvement, will be immediately EPS accretive."

KFC Germany's CEO, Insa Klasing, in a recent update to the German market, said: "We are entering into the next phase of our growth and plan to double our number of restaurants from 140 to 300 in the next few years ... in future all branches will be operated by franchise partners who we will rely on to grow the market. We are delighted to have a strong and proven franchise partner like Collins Foods working alongside us to significantly grow our business in Germany."

"Given Collins Foods' successful track record operating KFC restaurants and growing our footprint, we are in a great position to leverage our operational and developmental capability to be a key part of KFC Germany's growth agenda," added Mr Maxwell.

[www.collinsfg.com.au](http://www.collinsfg.com.au)



## Acquisition overview

Collins Foods will pay Euro € 12.7 million for the acquisition of the assets relating to the 11 restaurants plus transaction costs. The acquisition on a trailing basis is currently delivering sales of approximately Euro € 22.5 million per annum. The price will be adjusted up for inventory and available cash at each restaurant, and adjusted down for employee liabilities accrued prior to completion, which are assumed as part of the acquisition.

The acquisition consideration will be entirely funded from the Company's existing debt facility.

Completion is subject to a number of usual conditions precedent regarding the entry into applicable franchise agreements, leases or subleases, service and supply agreements and employee retention arrangements relating to the 11 restaurants, and is expected to be achieved in December 2016.

## For further information, please contact:

Graham Maxwell  
CEO  
P: +61-7 3352 0800

Ronn Bechler – Investor Relations  
Market Eye  
P: +61-400 009 774

Lee McLean – Media  
PPR  
P: +61-7 3309 4721

## About us

Collins Foods Limited (ASX: CKF) operates 191 KFC and 21 Sizzler company owned restaurants in Australia. In addition, the Company has 69 franchised Sizzler restaurants around Asia. The Company also owns Snag Stand which has 5 company owned outlets and 1 franchised outlet. The Company seeks continuous improvement in all areas of its operations and work towards the following mission: "Establish Collins Foods as a leading restaurant holding company, which operates premier brands where people love to eat and are proud to work." For further information please visit [www.collinsfg.com.au](http://www.collinsfg.com.au)